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March 31, 2001

Honorable Alex Penelas, Mayor

Honorable Gwen Margolis, Chairperson and
Members Board of County Commissioners

Honorable Harvey Ruvin, Clerk
Board of County Commissioners

Mr. Steve Shiver, County Manager
Miami-Dade County, Florida 33128-1995

LADIES and GENTLEMEN:

The Miami-Dade County, Florida (the "County") Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended September 30, 2000 is hereby submitted. Responsibility for the accuracy and fairness of the presentation, including all disclosures, rests with management of the County. We believe the data as presented is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds and account groups, and that all disclosures necessary to enable the reader to gain an understanding of the County's financial activity have been included. This report may also be accessed via the internet at <http://www.co.miami-dade.fl.us/finance>. The accompanying report consists of three parts:

- **Introductory section**, including the letter of transmittal from the Finance Director.
- **Financial section**, including financial statements, supplemental data, and other schedules of the County, accompanied by our independent auditors' opinion. Other schedules include General Obligation Bonds; Special Obligation Bonds; and Revenue Bonds of Seaport, Aviation, Public Health Trust, Water and Sewer Utility, Solid Waste, Rickenbacker Causeway and the Miami-Dade County Housing Agency.
- **Statistical section**, including a number of tables of unaudited data depicting the financial history of the County over the past ten years, demographics, and other miscellaneous information.

The County provides a full range of services. These services include, but are not limited to, police and fire protection; health services; mass transportation including the operation of a full scale international airport and seaport; sanitation; water and sewer services; the construction

and maintenance of highways, streets and infrastructure; libraries; correctional facilities; recreational activities; cultural facilities, programs and events; and mass transportation services, to name just a few.

An amendment to the County Charter was approved by the electorate, creating an executive mayor. The Mayor is elected for a four year term in a County-wide election. Thirteen (13) Commissioners are elected from single member districts, for four year staggered terms, to a Board that serves as the legislative and governing body of the County and is responsible for the formation of all policies. The Mayor is not a member of the Board, but has veto authority over legislative acts and may appoint a Chairperson of the Board. The Mayor selects the County Manager, subject to ratification by the Board of County Commissioners.

The Financial Reporting Entity, under which the financial statements are prepared, includes all the organizations, activities, and functions for which the County as the primary government is financially accountable.

ECONOMIC CONDITION AND OUTLOOK

The Florida economy has enjoyed almost a decade of robust economic growth and, beginning after Hurricane Andrew in 1992, the Miami-Dade economy experienced the same phenomenon. One significant difference was the large gap in unemployment rates between other metro areas around the State and Miami-Dade, the latter being significantly higher. The gap began to close relatively faster in 1999 and last year's ECONOMIC CONDITION AND OUTLOOK anticipated that fiscal year 2000 might be a very good year. In many respects this optimism was well founded, as the following discussion will show. What was not foreseen was that 2000 would be the peak of the recent growth curve.

Employment

Last year's increase of 16,500 in nonagricultural wage and salary employment was topped by an even larger one of 23,500 during fiscal year 2000, a 2.4% increase. The unemployment rate continued downward, averaging 5.5% for the year. This level still exceeded the State at 3.8%, but several of the large urban areas registered increases in their rates while the Miami area continued to move downward. As in the previous year, Services added the most jobs, 11,800, while Construction had the highest rate of change, 4.9%. Other big gainers were Retail Trade and Government, together adding 7,400 employees, about equally split. Transportation and Public Utilities added more than 1,000 employees and Wholesale Trade 500. Over 1,500 new business establishments of all types were recorded during the year and median family income increased by \$1,300 to reach \$43,700.

Sales Indicators

Consumer activity, as measured by taxable sales, was strong in fiscal year 2000. In fact, the figures were across-the-board higher than in fiscal year 1999. Total taxable

sales were up 8.8% led by Autos and Accessories at 13.5% and Consumer Durables at 12.4%. Moreover, the Index of Retail Activity for Miami-Dade County was 8.8%, exceeding the State by approximately 1%. Consumer confidence in Florida generally, and Miami-Dade in particular, remained high throughout the year. If job growth locally continues, even at a slower pace, a modest recession at the national and state levels may not seriously dampen consumer confidence as typically happens. The Miami-Dade economy is not highly endowed with the high tech manufacturing and e-commerce firms that are currently retrenching. Thus, downsizing and attendant layoffs may be small here relative to the total job base.

Real Estate Market

The year 2000 market for home sales was somewhat softer than in the prior year. The new single-family home sales declined by 3.8% and new condo sales also went down 8% in 2000 while they had moved up almost 9.0% the year before. Sales of used single-family homes and condominiums were also lower in fiscal year 2000. A new single family home in Miami-Dade County in 2000 was, on average, just under \$180,000. This price was almost 12% above the previous year. Likewise, used single family home prices rose about 6.0% to \$160,200. For the year ahead, market analysts are cautiously optimistic. Reduced interest rates should promote new home purchases and resales as well. The latter market has remained strong and the inventory has reached a level somewhat below what is considered desirable for price stability.



Market performance in commercial real estate in fiscal year 2000 was in line with the previous twelve months; i.e. they were both very good years. The office vacancy rate dropped to 10.9% from 12.2% and square foot lease rates went up by about 4.0%. This occurred despite the failure of several dot.com companies. The strength of the market is such

that this space is expected to be absorbed fairly easily. Annual absorption is estimated at 1.3 million square feet, which translates into approximately 2.5 years of supply, not counting new office projects to come on line. Much of the demand for office space is coming from telecommunications and internet companies attracted to the Latin American market. New construction is heaviest in Airport West, Brickell, Miami Beach and Coral Gables locations. Overall, in the next three years about six million square feet of prime office space may be added in the County.

High-tech telecom activity has also promoted a strong response from developers of industrial space, both new and conversions. In fiscal year 2000, this led to an over-supply when many of the plans of the high-tech companies did not materialize.

Fortunately, one of the strengths of the local economy, international trade and commerce, has continued to require warehouse and other industrial space, and the pace should pick up in the year to come. In the retail arena, Miami-Dade County continues to be a popular place. A large retail mall recently opened in West Doral and several other large and small retail malls are planned, while some existing ones are expanding.

International Trade and Commerce

In fiscal year 2000, Miami-Dade County experienced an increase in exports and imports of 2% and 5.7% respectively. The volume of trade totaling \$55 billion was the highest ever. Two local barometers of trade activity are the freight tonnage moving through Miami International Airport and the Miami Seaport. At the Airport, for the year 2000 both domestic and international freight figures were down; the combined drop was 3.6%. The reverse was true at the Seaport where cargo tonnage handled increased by 12.6%. It is not totally clear what accounts for the differing results at the two facilities, but the answer has to do with preferred modes of shipment for specific products. In any event, most analysts are fairly optimistic that international commerce will continue on an upward path in the year to come. This is based on the expectation that economic expansion in Latin America will be modestly high, above 4.0%. This should be true, for the most part, in the case of Miami-Dade's principal export trading partners, Brazil, Venezuela, Argentina, Dominican Republic, and Honduras. However, Mexico's economy is very robust and that country is emerging as a significant trading partner also.

One unknown in this scenario is the extent to which a recession in the United States would impact the economies to the south. For most of them, the U.S. is a major export market and, if their sales taper off, ultimately the purchases would do the same. For short periods, some countries may attempt to stimulate their economies to offset the export slow down. Perhaps having more serious long-term implications is the increasing competition for Latin American business arising from other U. S. port cities such as New Orleans, Mobile, Jacksonville, Houston, Galveston and others. Even inland areas, such as Orlando, are hoping to gain a share of this increasingly important international market. However, for the short-term at a minimum, international commerce will continue to be a major generator of jobs and income within the Miami-Dade economy.

Tourism



From its earliest days, South Florida was a popular destination for visitors drawn by the climate and sub-tropical environment. From those first few, visitation to the Miami area has grown into a multitude, which is the basis for a

multi-billion dollar industry. The year 2000 was record setting with more visitors to the area than ever before, 10.1 million, a 2.1% gain from 1999. The total is made up of about 56% international and 44% domestic visitors. Last year's Report foretold this performance and again the prospects appear bright. The addition of about 2,000 new hotel rooms was one factor in attracting more visitors, and more new hotels will be opening over the next two years, perhaps as many as seven luxury properties. The competition could lead to downward pressure on room rates or induce the offering of more special packages, either or both being appealing to potential visitors. In 2000, the Seaport registered a gain of more than 8.0% in cruise passengers and the Airport saw international passengers go up by 3.6% to more than 16 million. However, domestic air passengers declined by 4.5%. Coming from within the U. S., fares into Ft. Lauderdale are frequently lower, which has caused a shift from MIA to the airport to the north. A large portion of these passengers have a Miami destination and appear in the visitor counts. As with international trade, the economic situation in the U. S. could affect leisure and business travel plans both for domestic and foreign tourists and business representatives.

Future Outlook

Assuming that a national recession is mild and short-lived, the Miami-Dade economy in 2001 will likely perform at a level not too different than in 2000; perhaps slightly lower. International commerce should continue to trend upward but with modest growth rates. It does not seem probable that the visitor industry can top its 2000 achievements but no significant decline appears likely. The heavy construction activity experienced since 1999 may decrease slightly, regardless of renewed demand for housing stimulated by lower interest rates. Given this scenario, the extremely high growth in employment in 2000 cannot be repeated which will have negative effects on retail sales, further slowing the economy. In short, the prospect appears reasonably good for 2001 and perhaps very good for 2002.

INTERNAL CONTROL

County administration is responsible for establishing and maintaining internal control designed to ensure that the assets of the County are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits



likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the County's internal controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial information for both internal and external reporting purposes.

BUDGETARY CONTROL

State of Florida statutes require that all county governments prepare, approve, adopt and execute an annual budget for such funds as may be required by law or by sound financial practices. In compliance with this, the budgets adopted by the County are either appropriated or non-appropriated in nature. Funds that have appropriated budgets cannot legally exceed their appropriations. The budgetary controls over funds that have non-appropriated budgets are set by enabling ordinances, such as Bond Ordinances, in which the expenditure authority extends many years into the future.

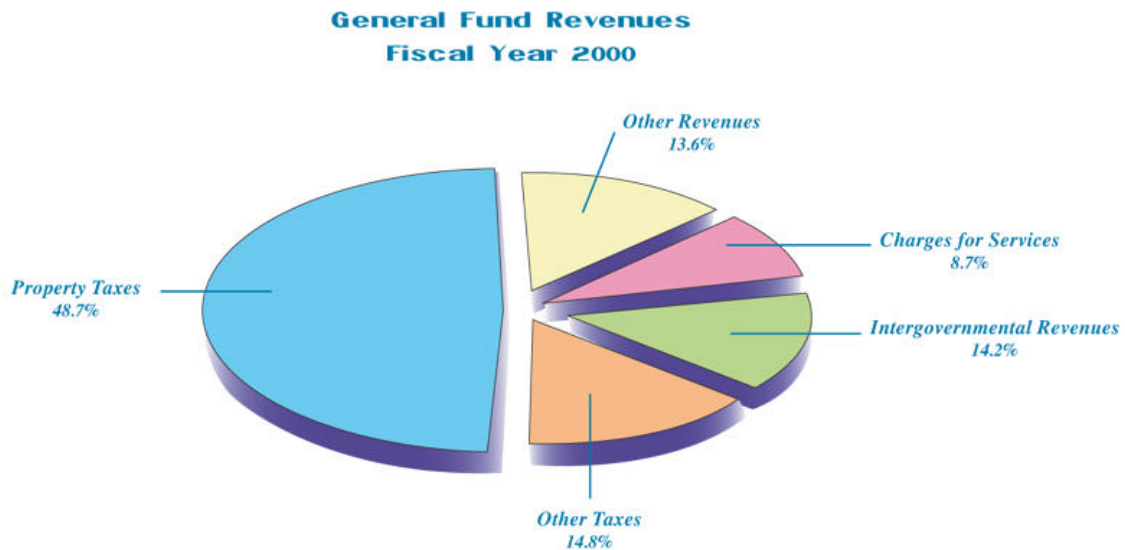
Budgets are monitored at varying levels of classification detail, however, expenditures cannot legally exceed total appropriations at the individual fund/department level. Amendments and supplements to the budget require County Commission approval. Estimated beginning fund balances available for financing current appropriations are considered in the budgetary process. Budget to actual comparisons are shown in the financial statements for the Governmental Fund Types, for which the County legally adopts annual appropriated budgets, except for Capital Projects. Capital Projects costs are budgeted in the year they are anticipated to be obligated and, in subsequent years, the unused budget is reappropriated until the project is completed.

As an additional control, the County employs an encumbrance system which reduces available appropriations in governmental funds upon the issuance of purchase orders, contracts or other forms of legal commitments. Encumbrances at year end do not constitute expenditures or liabilities. They are accounted for as a reservation of fund balance for the outstanding balance of the commitment.

GENERAL FUND SUMMARY

The following schedule is a summary of the County's General Fund revenue sources for the year ended September 30, 2000, and September 30, 1999. Variances are reflected in percentages and the amount of increase or decrease is compared to the prior fiscal year (in thousands):

	2000	1999	Increase / (Decrease)	
			Percentage	Amount
Revenue Sources				
General Property Taxes	\$ 608,819	\$ 595,566	2.23	\$ 13,253
Other Taxes	185,202	183,255	1.06	1,947
Licenses and Permits	64,523	62,421	3.37	2,102
Intergovernmental Revenues	177,942	173,591	2.51	4,351
Charges for Services	108,292	106,553	1.63	1,739
Fines and Forfeitures	29,261	26,450	10.63	2,811
Interest Income	27,928	22,139	26.15	5,789
Other Revenues	48,069	48,575	(1.04)	(506)
Total	\$ 1,250,036	\$1,218,550		\$ 31,486



Revenues in the General Fund were approximately \$1.250 billion for the fiscal year ended September 30, 2000, an increase of 2.5% or \$31 million compared to the prior fiscal year.

General Property Taxes - Although both the Countywide millage rate and the Unincorporated millage rate dropped slightly by .214 and .070 mills respectively, property tax revenues rose by \$13.3 million in 2000 or 2.2% as a result of an increase in net assessed property values (including new construction) of 5.5%.

Fines and Forfeitures - The Traffic Division imaging system referred to as “SPIRIT” (the Simultaneous Paperless Image Retrieval Information Technology), implemented in 1999, continues to account for the increase in the Fines and Forfeitures revenue source. This system facilitates the restructuring of the calendaring of court dates and the capturing of the pertinent traffic violation information, providing better management of traffic cases.

Interest Income – Interest Income increased by \$5.8 million or 26.2%. This was due to a higher average daily cash balance and higher interest rates.

	2000	1999	Actual Change
<hr/>			
Net Assessed Property Value (in thousands):			
Countywide	\$ 90,895,796	\$85,839,080	\$5,056,716
Unincorporated Area	41,552,428	39,681,571	1,870,857
Ad Valorem Tax Rate (in mills):			
Countywide	5.809	6.023	(.214)
Unincorporated Area	2.447	2.517	(.070)
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The following schedule is a summary of the County's General Fund expenditures and transfers for the year ended September 30, 2000, and September 30, 1999. Variances are reflected in percentages and the amount of increase or decrease is compared to the prior fiscal year (in thousands):

	2000	1999	Increase / (Decrease)	
			Percentage	Amount

Expenditures:

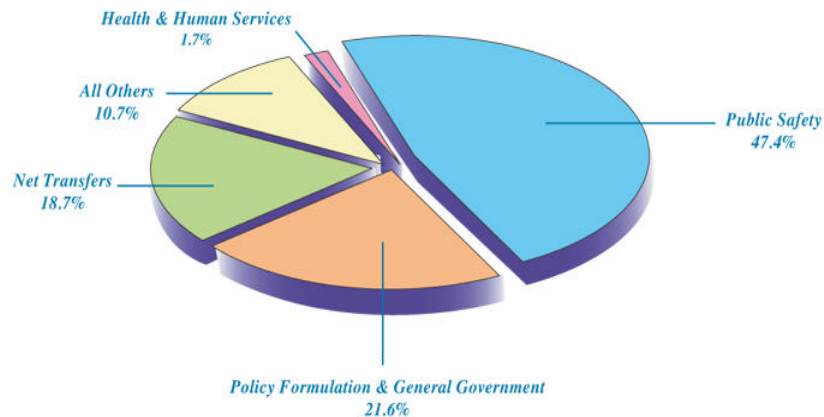
Policy Formulation and General Government	\$ 269,358	\$ 263,810	2.10	\$ 5,548
Protection of People and Property	591,150	566,467	4.36	24,683
Physical Environment	36,439	29,468	23.66	6,971
Transportation	29,671	27,373	8.40	2,298
Health, Welfare and Social Services	21,105	29,699	(28.94)	(8,594)
Culture and Recreation	66,969	64,877	3.22	2,092

Transfers Out (In):

Transit Agency	\$ 106,020	\$ 103,534	2.40	\$ 2,486
Solid Waste	1,510	500	202.00	1,010
Capital Projects	28,886	20,195	43.03	8,691
Debt Service	14,903	10,362	43.82	4,541
Health Program	87,579	96,373	(9.12)	(8,794)
Social Programs	48,998	49,482	(0.98)	(484)
Water & Sewer	(24,788)	(25,849)	4.10	1,061
Self Insurance	(41,825)	(56,320)	25.74	14,495
Other, Net	11,770	9,460	24.42	2,310

Total	\$ 1,247,745	\$1,189,431		\$58,314
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**General Fund Expenditures and Transfers
Fiscal Year 2000**



Fiscal year 2000 expenditures for the General Fund were approximately \$1.247 billion, an increase of \$58 million over 1999. An analysis of the major service areas helps explain the increase as follows:

Protection of People & Property - Expenditures increased by \$24.7 million or 4.4%. This increase is mostly attributed to the support of various ongoing police activities like the Safe Streets/Clean Sweep Program, the Tactical Narcotic Team (TNT), Tourist Robbery Abatement Program (TRAP) and support to the Public Corruption Section.

Physical Environment – The increase of \$6.97 million in fiscal year 2000 expenditures is primarily due to the purchase of environmentally endangered land in the amount of \$6.43 million.

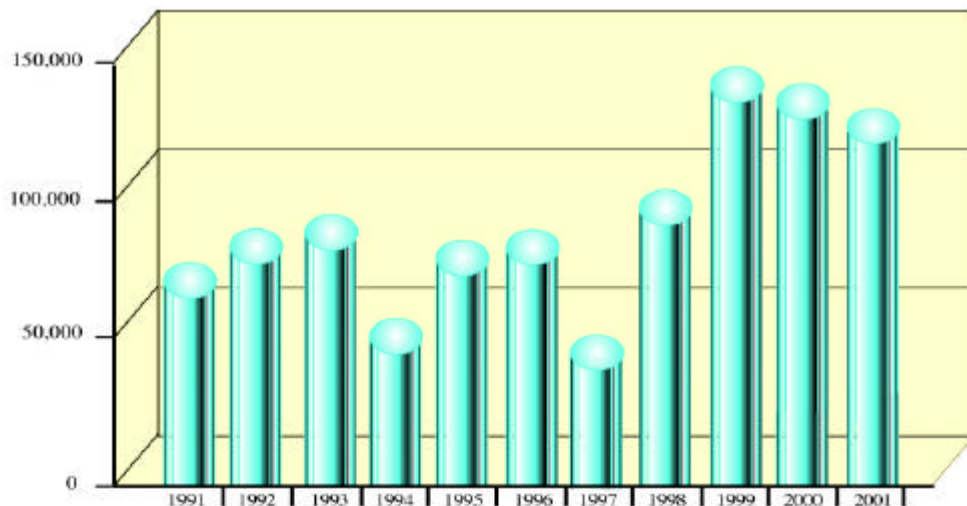
Transportation – The increase of \$2.3 million or 8.4% is directly related to the Public Works Department increased activity in underground utilities inspections.

Health, Welfare and Social Services - The reduction of \$8.6 million or 28.9% is primarily due to the transfer of the Correction and Rehabilitation Department's inmate care costs of \$11.5 million to the Public Health Trust.

**General Fund Unreserved Fund Balance
For the Fiscal Year Ending September 30, 2000
(in thousands)**

1991	\$ 59,550
1992	75,014
1993	77,900
1994	41,958
1995	66,373
1996	72,519
1997	37,001
1998	84,855
1999	125,153
2000	121,224
2001	120,000

General Fund Unreserved Fund Balance
As of September 30, 2000
(in thousands)



ENTERPRISE OPERATIONS

Enterprise Funds are established to finance and account for the acquisition, operation and maintenance of facilities and services which are intended to be entirely or predominantly self-supporting through the collection of charges from users, or for which the periodic determination of revenues earned, expenses incurred, or net income is appropriated for capital maintenance, public policy or other purposes.

The County maintains the following Enterprise Funds: the Transit Agency, the Department of Solid Waste Management, the Seaport Department, the Aviation Department, the Water and Sewer Department, the Public Health Trust, the Rickenbacker Causeway, the Vizcaya Art Museum and certain enterprise operations of the Housing Agency.

A summary of their operations is presented in the table below (in millions):

Enterprise Operations Fiscal Year Ending September 30, 2000 (in millions)						
	<u>Operating Revenues</u>	<u>Operating Expenses *</u>	<u>Net Operating Income (Loss)</u>	<u>Non-Operating Revenues (Expenses)</u>	<u>Operating Transfers In (Out)</u>	<u>Net Income (Loss)</u> **
<i>Transit Agency</i>	\$82.2	\$317.1	(\$234.9)	\$80.2	\$104.7	(\$50.0) **
<i>Solid Waste</i>	197.0	186.3	10.7	(3.4)	1.5	8.8
<i>Seaport</i>	72.5	48.4	24.1	(21.4)	-	2.7
<i>Aviation</i>	479.6	419.8	59.8	(67.3)	-	(7.5) **
<i>Water & Sewer</i>	379.4	263.4	116.0	(24.1)	(24.8)	67.1
<i>Public Health Trust</i>	710.3	957.8	(247.5)	20.7	225.5	(1.3) **
<i>Rickenbacker</i>	5.5	3.7	1.8	.1	-	1.9
<i>Vizcaya</i>	2.8	2.5	.3	.1	-	.4
<i>Housing Agency</i>	3.9	5.9	(2.0)	2.8	-	.8

* Operating Expenses include depreciation and assumption of closure and postclosure care cost of inactive landfills.

** Reported net loss is due to depreciation expense. Absent depreciation these operations would have reported net income.

The following is a brief discussion of the operating results for the County's major enterprise funds:

Transit Agency



The Miami-Dade Transit Agency (“MDTA”) is charged with the operation of a unified public transit system consisting of a bus fleet of 688 buses, a 21.1-mile above ground metrorail system and a 4.2 mile Metromover system providing services throughout the County. MDTA is one of the largest public transit systems in the nation and carries over 50% of all transit trips in the State of Florida. Metrobus revenue miles experienced a decrease of 1% in

fiscal year 2000, but average weekday boardings increased by 3% when compared to the levels achieved in fiscal year 1999. Metromover revenue miles increased by 3% and the average weekday boardings increased by 4% when compared to the previous year.

In December 1999, MDTA implemented the “Golden Passport Program” to provide free bus and rail service to qualified low-income elderly residents. This program resulted in a reduction in revenues of approximately \$1.8 million, and an increase in operating expenses of approximately \$417,000 due to start-up costs and program administration. Also in fiscal year 2000, MDTA placed in service 42 new full-sized replacement buses at a cost of \$13 million, and 30 mini-buses at a cost of \$3.7 million. Funding for the buses was primarily provided by the Federal Transportation Administration (\$14.5 million) and the local option gas tax (\$2.2 million).

As of September 30, 2000, the Transit Agency had a cumulative cash deficit from operations of \$16.4 million, of which \$8.4 million will be reimbursed from grantor agencies. The remaining cash deficit of \$8.0 million represents an accumulation of expenditures in excess of cash receipts. The cash deficit was recorded as an interfund receivable in the County's General Fund. Management is working on reducing the cash deficit through the sale of certain non-productive capital assets, pending lease-leaseback transaction proceeds and anticipated net revenues over operating expenditures.

Solid Waste

The Department of Solid Waste Management is responsible for providing solid waste collection and recycling to residential customers in the unincorporated area of Miami-Dade County, as well as Countywide disposal of solid waste collected by County and private waste collection companies.

Operating revenues for fiscal year 2000 were \$197.0 million, an increase of 7.5% from the 1999 levels. Tipping fees increased by 12% when compared to fiscal period 1999. This is due to an increase in revenue tons from approximately 1.65 million tons in 1999 to approximately 1.78 million tons in fiscal year 2000. Operating expenses after depreciation and assumption of closure and post-closure care costs for inactive landfills increased by \$18.7 million or 11.2% from the previous year. This increase resulted from changes in closure and post-closure estimates coupled with increases in expenses for operating the County's Resource Recovery Facility.

Seaport



The Seaport Department owns and manages the County's Dante B. Fascell Port of Miami-Dade ("Port"). The Port is the largest home cruise port in the world and is among the top five container cargo ports serving the Caribbean and Latin American and ranks nationally in the top ten ports.

In the past year, some of the Port's growth and financial initiatives were realized. Operating revenues for fiscal year 2000 were \$72.5 million, an increase of \$7.9

million or 12.2% when compared to fiscal year 1999. The increase in revenues is attributable to the growth in cargo activity resulting from business with Europe and improved economic conditions of the Seaport's Latin American trading partners, combined with several new larger cruise vessels carrying greater numbers of cruise passengers.

Total operating and maintenance expenses for fiscal year 2000 were \$36.0 million, reflecting an increase of \$4.6 million or 14.6% above the previous year. The increase is primarily the result of consulting costs, not directly identifiable to a specific asset, which have been expensed.

Aviation



The Miami-Dade Aviation Department operates the Miami International Airport ("MIA") as well as five general aviation airports. The general aviation airports and their related activities provide a significant role as they serve to alleviate traffic at MIA. MIA is currently ranked number one in the U.S. for international freight and third for international passengers.

During 2000, MIA handled 33.6 million passengers, 17.4 million were domestic and the remaining 16.2 million were international passengers. While these numbers show a slight

decline from previous years, it is encouraging that international traffic is rebounding and increased 3.6% in fiscal 2000.

The Department received Federal Aviation Administration approval and over an \$80 million commitment for the construction of a new fourth runway. Also in 2000, \$82 million in new projects were awarded and/or were issued a notice to proceed. Once complete, the new runway will consist of a mile-long linear concourse with 47 gates able to handle international flights plus 29 regional aircraft parking spaces extending westward from the currently operating Concourse A past the end of Concourse D.

The Department completed \$86 million of capital improvements in fiscal year 2000. Through the end of 2000, 147 construction projects are in the planning and design stage, 57 are under construction, and 96 have been completed.

The Aviation Department's revenue from operations for the fiscal year ended September 30, 2000 was \$479.6 million, an increase of \$27.8 million or 6.2% over the previous fiscal year. Total operating expenditures were \$419.8 million, an increase of \$8.8 million or 2.1%.

Water and Sewer

The Miami-Dade Water and Sewer Department owns and operates the County's water and wastewater systems. The Department serves 375,000 retail customers within the County and provides large scale wholesale water and wastewater service to municipalities.

In order to improve the Department's effectiveness and the overall delivery of its services, as well as to reduce costs by promoting an efficient organizational structure, the Department reorganized itself in fiscal year 1999. This resulted in numerous improvements, including the streamlining of various activities and of the overall managerial structure, allowing the Department to make better use of its resources.

Operating revenues for fiscal year ended September 30, 2000 were \$379.4 million, an increase of \$1.6 million or 0.4% when compared to \$377.8 million in revenues recorded in fiscal year 1999. The increase in revenues was primarily attributed to an increase in consumption by the water system's retail and wholesale customers, as well as to the growth in retail customers. The number of retail water and wastewater customers increased by 3,049 and 3,062, respectively, during fiscal year 2000. The operating and maintenance expenses for fiscal year ended September 30, 2000 were \$168.9 million, a decrease of \$15.7 million from the prior fiscal year. Total operating expense including depreciation was \$263.4 million. The decrease in operating expenses is due to the Department's efficiency program and other measures implemented during recent years.

Public Health Trust

The Public Health Trust ("PHT") operates Miami-Dade County's Jackson Health Systems (JHS) which includes Jackson Memorial Hospital (JMH) and other health care programs and facilities. Operating revenues for fiscal year ended September 30, 2000 were \$710.3 million, an increase of \$59.7 million, or 9.2% when compared to \$650.6 million in revenues recorded in fiscal year ended 1999. Operating expenses increased \$81.8 million or 9.3%. Operating transfers in, consisting of indigent sales tax and general fund subsidies, increased by \$8.4 million or 3.9%. Net income decreased from \$9.8 million in 1999 to a net loss of \$1.3 million for fiscal year ending September 30, 2000.

DEBT MANAGEMENT

The County has continued to obtain, in an efficient and innovative manner, long-term financing for the construction or acquisition of various long-term assets. It is management's objective to adequately plan and meet the County's comprehensive construction demands for essential capital improvements and equipment, and, at the same time, ensure that the residents of the community are not overburdened with general obligation long-term debt payable from ad valorem taxes.

The County's debt service millage for 2000 for all Countywide bonded indebtedness was .816 mills representing a 2.51% decrease from the 1999 rate. Of the total Countywide millage, .504 mills or 61.8% is dedicated to the \$553 million Decade of Progress Program, .248 mills or 30.4% is earmarked for the \$200 million Criminal Justice Facilities Bond Program, and .064 mills or 7.8% is attributed to the \$200 million Parks Bond Program. The total millage for all Miami-Dade Fire and Rescue Service District bonded debt service for 2000 was .069 mills.

The following chart indicates the principal amortization of the County's general obligation debt in five-year increments. As can be seen, approximately 60% of the County's outstanding debt will be retired within the next ten years.

General Obligation Debt	
Principal Amortization	
For The Five Year Period Ending September 30, 2000	
(in thousands)	
2005	\$148,280
2010	50,115
2015	54,540
2020	51,166
2025	24,325

During fiscal 2000 and thereafter, the County accessed the municipal bond market via negotiated and competitive issuances

\$25,615,000 Miami-Dade County, Florida General Obligation Bonds (Park Programs), Series 1999. The proceeds of the Series 1999 Bonds will be used to provide funds for new and improved park facilities, and pay certain costs of issuance of the Series 1999 Bonds. The Series 1999 Bonds were issued at interest rates ranging from 4.75% to 7.25% with a final maturity in fiscal year 2025.

\$140,000,000 Miami-Dade County, Florida Aviation Revenue Bonds, Series 2000 A and B. The net proceeds of the Series 2000 A and B Bonds, together with certain other monies of the Aviation Department, will be used to provide funds to pay a portion of the cost of certain airport improvements included in the approved Capital Improvement Program, make deposit to the Reserve Account, and pay certain costs of issuance of the Series 2000 A and B Bonds. The 2000 A Bonds were issued at interest rates ranging from 5.40% to 6.00% with a final maturity in fiscal year 2030. The 2000 B Bonds were issued at interest rates ranging from 5.25% to 5.75% with a final maturity in fiscal year 2030.

\$400,000,000 Aviation Tax Exempt Commercial Paper Program. This five-year Program, authorized in an amount not to exceed \$400,000,000 at any one time, provides a mechanism for borrowing capital funds in a short-term market thereby lowering overall interest cost. These funds will be utilized for the Aviation Port Authority Properties' Capital Improvement Program. Commercial paper also provides an alternative to capitalize interest as part of a total financing. It is estimated that approximately \$45 million in savings will be realized over the five-year life of the Program due to lower interest rates and the Program's ability to defer interest payments until the project is completed and in operation. To date, \$75 million have been drawn under the Program.

\$2,000,000 Loan from the Sunshine State Governmental Financing Commission. The proceeds of this loan will be used to pay for the costs of constructing permanent, retractable bleachers for the Tennis Center at Crandon Park, Key Biscayne, and for any related financing charges. When the project is completed, it is anticipated that the annual cost of the loan (principal and interest) will be offset by the savings generated by not having to assemble/disassemble temporary bleachers provided by an outside contractor. The loan is payable by October 1, 2014.

\$25,000,000 Section 108 Loan from the U.S. Department of Housing and Urban Development. Proceeds from this loan will provide financial assistance for the development of the Parrot Jungle facility at Watson Island. This loan has variable interest rates from 7.62% to 7.96%, and a final payment scheduled for August 1, 2019.

\$40,395,000 Miami-Dade County, Florida Solid Waste System Revenue Bonds, Series 2001. The proceeds of these Bonds will be used to pay a portion of the costs of the 1997 Project and to pay certain costs of issuance of the Series 2001 Bonds. The 1997 Project

identified various capital expenditures to be made by the Solid Waste Department that are necessary to assure the satisfactory and efficient operation of the County's solid waste facilities.

In addition, the 1997 Project includes capital expenditures for closure of landfills/cells, construction of new landfill cells, groundwater monitoring wells, leachate collection and treatment system, and transfer station improvements. The Series 2001 Bonds were issued at interest rates ranging from 4.375% to 5.5% with a final maturity in fiscal year 2021.

CONSTRUCTION MANAGEMENT



The County's current six year Capital Improvement Plan covering the period from October 1, 2000 through September 30, 2006 highlights 605 projects with an estimated cost of \$9.5 billion. Of this amount, 6.3% represents the transportation area, with Aviation improvements comprising 75% of the total multi-year transportation program costs. Capital projects in the Physical Environment category comprise 19% of the total spending plan with

approximately 83% attributable to the Water and Sewer Department.

Major capital projects for fiscal year 2001, other than Aviation and Water and Sewer capital improvements, include:

- construction of the Carol City Police Station,
- construction of the various Fire Rescue Stations,
- acquisition of replacement and expansion buses,
- improvements and renovations at the Turner Guilford Knight Correctional Center,
- Performing Arts Center,
- South Miami-Dade Cultural Center,
- public housing improvements,
- Community Development Block Grant funded projects,
- Safe Neighborhood Parks projects,
- sidewalk, drainage road surfacing, and park improvements as a part of the Quality Neighborhood Improvement Program (QNIP) projects,
- Public Health Trust Projects aimed at the modernization and expansion of existing medical center facilities, and
- information technology projects targeting customer service.

The Local Option Gas Tax Program continues to be allocated for road projects in the unincorporated area.

The Miami-Dade Empowerment Zone, approved by the federal government in January 1999, will create economic opportunity, rebuild poverty-stricken communities in designated areas, and

create jobs and opportunities for Empowerment Zone residents. Multi-year budgeted expenditures through fiscal year 2006 total \$5.8 billion for 106 projects located in the Empowerment Zone.

The Safe Neighborhood Parks Program, approved by the electorate in November 1996, is still ongoing. Improvements totaling \$200 million are programmed including \$125 million for Miami-Dade County. To date, more than \$100 million in debt has been issued for the program and it is anticipated that another \$32 million will be issued during fiscal year 2001.

The Quality Neighborhoods Improvement Program, approximately \$143 million approved by the Board of County Commissioners in fiscal year 1999, totals and addresses infrastructure needs in older urban neighborhoods and high growth areas. Improvements include among others, construction of new sidewalks and repairs to existing sidewalks, local and major drainage improvements, roadway resurfacing and park facility improvements.

Funding sources for future capital improvement expenditures can be broken down as follows (in thousands):

	<u>Fiscal Year 2001</u>		<u>Fiscal Year 2001-2006</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Debt Proceeds	\$ 887,126	56.23	\$6,516,432	68.50
County Proprietary				
Operations	271,595	17.21	880,098	9.25
Federal	147,127	9.33	871,981	9.17
State	75,803	4.80	307,123	3.23
Impact Fees and				
Contributions	78,014	4.95	342,391	3.60
Gas Taxes	26,633	1.69	201,278	2.12
Other	91,389	5.79	393,421	4.13
Total	<u>\$ 1,577,687</u>	<u>100.00</u>	<u>\$9,512,724</u>	<u>100.00</u>

Future capital improvement expenditures, by program area, can be broken down as follows (in thousands):

	<u>Fiscal Year 2001</u>		<u>Fiscal Year 2001-2006</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Transportation	\$ 850,690	53.92	\$6,271,069	65.92
Physical Environment	393,052	24.91	1,804,583	18.97
Health and Human Services	147,387	9.34	701,647	7.38
Protection of People				
and Property	34,301	2.17	127,458	1.34
Culture and Recreation	121,539	7.70	564,458	5.93
Internal Support and				
General Government	30,718	1.96	43,509	.46
Total	<u>\$ 1,577,687</u>	<u>100.00</u>	<u>\$9,512,724</u>	<u>100.00</u>

CASH MANAGEMENT

In order to achieve maximum financial return on all available funds, the Finance Department pursues an aggressive cash management and investment program within the constraints imposed by Florida Statutes and local policies adopted by resolution of the Board of County Commissioners. The County has implemented an Investment Advisory Committee composed of professionals from the public and private sector. Every quarter, the portfolio performance is presented and reviewed by the Committee.

The County hired a Cash Management Consultant to provide expert and professional analysis of the County's cash management performance and to make recommendations on investment strategies to maximize future investment earnings to the County in a non-exclusive basis, while maintaining or increasing the safety of the County's investment portfolio.

Commencing with fiscal year 1995, the County adopted a formal investment policy which applies to all investment of public funds. Cash balances are invested on a daily basis at the best interest rates available in the markets. Investments consist primarily of time deposits in banks approved by the State Treasurer to act as a qualified public depository, United States government treasuries, United States government agencies, commercial paper, bankers' acceptances and repurchase agreements.

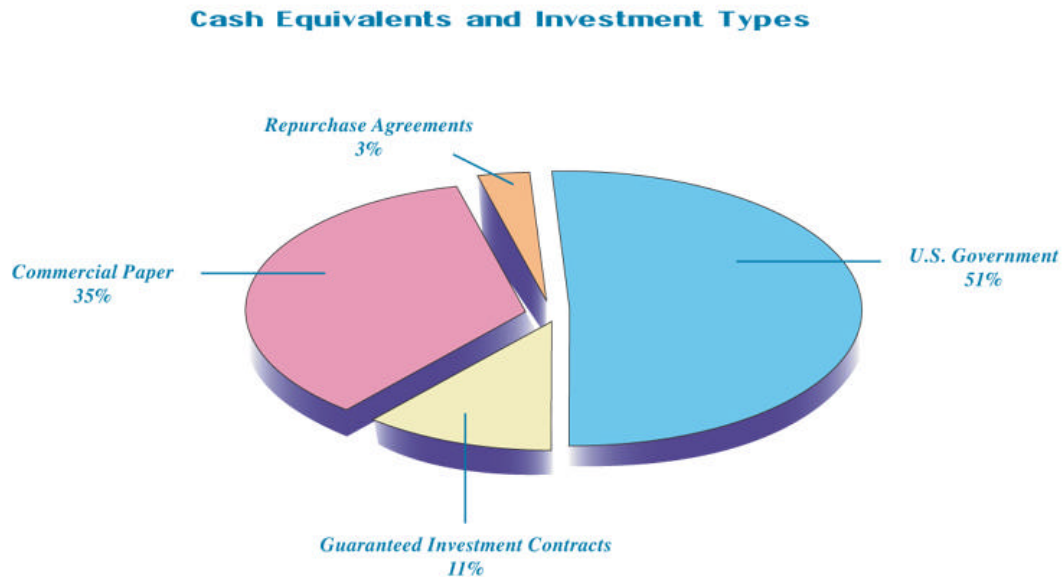
For purposes of maximizing the interest earning yield on short-term investments, cash balances of all funds are pooled, except where separate cash and investment accounts are maintained in accordance with legal requirements. It is the County's policy not to invest in leveraged derivatives. The primary objective of the County's policy is preservation of capital.

During fiscal year 2000, the average investment yield realized by the County was 6.03%. As in the past, treasury activities have realized forecasted returns and have been a significant contributor in the attainment of revenues to meet the many service demand levels identified by the administration and management.

A summary and comparison of treasury activity for the last three fiscal years, not including cash with the fiscal agents and the Public Health Trust, is as follows (in thousands):

	<u>2000</u>	<u>1999</u>	<u>1998</u>
Average Portfolio Balance	\$2,704,802	\$2,350,623	\$1,918,272
Average Investment Yield	6.03%	5.27%	5.77%
Interest Earned on Investments Managed by the Finance Department	\$163,465	\$123,661	\$110,766

The following chart summarizes the County's investments, including cash equivalents, at September 30, 2000:



The County participates in the United States Treasury Department Minority Bank Deposit Program. This program, which has been in effect for the past fourteen fiscal years, requires the County to deposit Federal initiated grants and entitlements and certain State originated monies with local minority owned banks for a period of three working days. The banks in turn, have free use of the funds to make investments or take advantage of the Fed Funds Market and keep all interest earned thereon. However, in all instances, the County's monies are fully collateralized as required by Florida Statutes.

RISK MANAGEMENT

The County administers a self-insurance program for workers' compensation, tort liability, property, and group health and life insurance programs, subject to certain stop-loss provisions. The health and life insurance programs are administered by an independent administrator. The County funds the program on an annual payout basis. Insurance coverage is maintained with independent carriers for property damage to County facilities. The County maintains no excess coverage with independent carriers for workers' compensation and general liability.

At September 30, 2000, the estimated liability for insurance claims which are expected to be paid with available financial resources totals \$43,294,000. The estimated long-term liability

for insurance claims which are not expected to be paid with available financial resources at September 30, 2000, is \$75,202,000.

INDEPENDENT AUDIT

The general purpose financial statements for 2000 were audited by KPMG LLP, and their opinion resulting from their audit is included in this Comprehensive Annual Financial Report. Their audit was performed in accordance with generally accepted auditing standards, Government Auditing Standards and the Rules of the Auditor General State of Florida. The scope of the audit was sufficient to satisfy State, Federal and County Charter requirements.

CERTIFICATE OF ACHIEVEMENT

For the twentieth consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Miami-Dade County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 1999. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. The attainment of this award represents a significant accomplishment by a government and its financial management.

In order to be awarded a Certificate of Achievement, the County had to publish an easily readable and efficiently organized CAFR, whose contents conform to established program standards. Such comprehensive reports must satisfy both generally accepted accounting principles and applicable legal requirements. To earn a Certificate of Achievement, a government must demonstrate constructive spirit of full disclosure to clearly communicate its financial story while enhancing the understanding of the logic underlying the traditional governmental financial reporting model.

The County's 1999 Comprehensive Annual Financial Report has been evaluated by an impartial Special Review Committee composed of other government officers, independent certified public accountants, educators and others with particular expertise in government accounting and financial reporting. We believe that the 2000 Comprehensive Annual Financial Report continues to conform to the high standards of the Certificate of Achievement Program and we are submitting it to the GFOA.

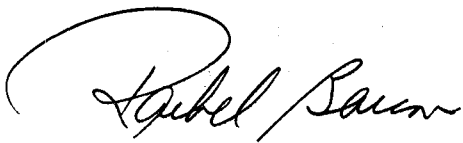
ACKNOWLEDGMENTS

The preparation and completion of this Comprehensive Annual Financial Report represents the culmination of numerous processes performed by many of the accountants throughout the County departments, and of the continued excellent cooperation and assistance of all of the accounting firms associated with the audit of the County's operations. We would like to thank the chief financial officers of the County's enterprise operations for coordinating their reporting deadlines with that of the combined entity in order for this Comprehensive Annual Financial Report to be issued on a timely basis; and the Research Section of the Department of Planning and Zoning for providing the information regarding our economy. In particular, we wish to

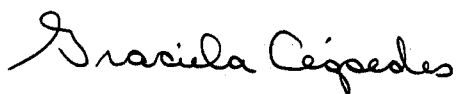
express our appreciation to the staff of the Finance Department who were responsible for compiling and collating the data comprising this Report, for developing our underlying financial accounting theory, and for achieving the highly respected Certificate of Achievement Award.

Finally, your guidance and cooperation in planning and conducting the financial affairs of the County in a responsible and progressive manner is greatly appreciated.

Respectfully submitted,

A handwritten signature in cursive script, reading "Rachel Baum". The signature is written in dark ink and is positioned above the printed name and title.

RACHEL BAUM
Finance Director

A handwritten signature in cursive script, reading "Graciela Cespedes". The signature is written in dark ink and is positioned above the printed name and title.

GRACIELA CESPEDES
Deputy Finance Director